

Using Xero for Parish Accounting

Tips to help make your Xero life easier

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Payment References

To make the reference of payments easier (particularly when matching multiple transactions in the bank reconciliation), enter the cheque number in the *Payment Reference field* when entering the payment. This will enable you to more easily reconcile the transaction.



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Entering Invoices for Payment

When you write out a cheque use *Spend Money* to ensure your bank reconciliation is up to date. This way you always know the amount that is available.



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Bank Reconciliation Report

This is a very useful report giving you information about

- Items that have not yet been reconciled
- Cheques that have not yet been presented
- Payments that have been forward dated
- Gives a warning message if the bank account and Xero do not balance

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Bank Reconciliation Report

As at 16 May 2013

[Add Summary](#)

Date	Description	Reference	Amount
16 May 2013	Balance in Xero		(10,002.83)
Plus Un-Reconciled Bank Statement Lines			
13 May 2013		000211129945 6028	328.00
13 May 2013		000211129941 6028	360.60
13 May 2013		000211129943 6028	656.60
14 May 2013		000613274961 003244 6318 3244	(500.00)
14 May 2013		013802039110 003245 3245	(192.83)
14 May 2013	METHODIST CHURCH	METH CHURCH FN DEBIT17MA PYMNT079881 9560	(1,916.91)
Total Un-Reconciled Statement Lines			(1,264.54)
16 May 2013	Statement Balance		(11,267.37)
15 May 2013	Imported Statement Balance		5,449.69
	Balance out by		16,717.06

[Save as Draft](#) [Publish](#) [Print](#) [Export](#)

Could be as simple as the opening balance was incorrectly entered, or transactions have been double entered

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Bank Rules

For each bank transaction that matches a rule, Xero creates a transaction using the details of the conditions you have set. If the transaction that Xero creates based on the rule is wrong, you can edit it, create a new one or find a transaction you have already entered into Xero to match with your statement line.

Bank Rules are very useful if you have more than one general ledger item to code the expense to eg payroll invoice.

Dashboard>click on the 3 dots next to the bank account>Bank Rules>Create Rule

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Spend Money Rule

1. When money spent on the bank statement matches of the following conditions...

<input type="text" value="Payee"/>	<input type="text" value="equals"/>	<input type="text" value="METHODIST CHURCH"/>	<input type="button" value="X"/>
<input type="text" value="Reference"/>	<input type="text" value="starts with"/>	<input type="text" value="F"/>	<input type="button" value="X"/>
<input type="text" value="Description"/>	<input type="text" value="equals"/>	<input type="text" value="METH CHURCH"/>	<input type="button" value="X"/>

2. Set the contact...

The contact will be

3. Automatically allocate fixed value line items...

Description	Account	Tax Rate	Region	Amount	
Fortnightly Wages	3210 - Employer Super/KiwiSaver Con...	No GST		500.00	<input type="button" value="X"/>
Fortnightly Wages	3205 - Salary and Wage Costs - Gross	No GST		1,378.88	<input type="button" value="X"/>
Fortnightly Wages	3240 - Medical Insurance - Employer ...	15% GST on Expenses		100.00	<input type="button" value="X"/>

TOTAL 1,978.88

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Bank Rules

Bank Accounts >

Business Bank Account 02-0102-0345678-000



Statement Balance
27,692.43

Balance in Xero
10,444.83

24 Apr 2013
Reconciliation Report

[Manage Account](#)

What's this?

Reconcile (45)

Cash Coding

Bank statements

Account transactions

What's this?

Review your bank statement lines...

	Spent ▾	Received ▾
		Create rule
2 Jul 2012 x Reimburse More		5,787.00

		Create rule
3 Jul 2012 METHODIST CHURCH PYMNT073334 METH CHURCH More	1,978.88	

OK

...then match with your transactions in Xero

	Spent ▾	Received ▾
		Create rule
Match Create Transfer Discuss Find & Match		
Name <input type="text"/>	Acct <input type="text"/>	
Desc <input type="text"/>		
Region <input type="text"/>	Tax Rate <input type="text"/>	Add details

Match Create Transfer Discuss Find & Match		
Apply rule	Contact name	
Fortnightly Wages	<input type="text" value="METHODIST CHURCH"/>	
Don't apply rule	View details	

The bank rule is suggested for the transaction, you can choose to accept, change or to not apply the rule.



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Repeating Invoices

If you have regular bills to pay, or send regular invoices to customers - use Xero's repeating invoices or bills. Set up a template and Xero will automatically create an invoice or bill for you according to the frequency you specify and saves it on the Draft tab (if you need to vary the amount or something else each time) or the Awaiting Payment tab (if the amount is the same every time).



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Accrual Accounting

- Accounts Payable and Receivable invoices can be entered in July for transactions that relate to the previous financial year.
- Entered as a reversing journal, that is for an expense, to ensure the invoice is entered in the correct period in which the expense was incurred, the invoice is debited in June 2017 and reversed in the financial year that the invoice is paid (July 2017).

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Journals

Journals are treated by Xero as an item in the system that can cause a few issues and therefore there are a few steps to get to entering journals. (eg ensuring that debits and credits are correctly entered)

We need to use a journal to enter

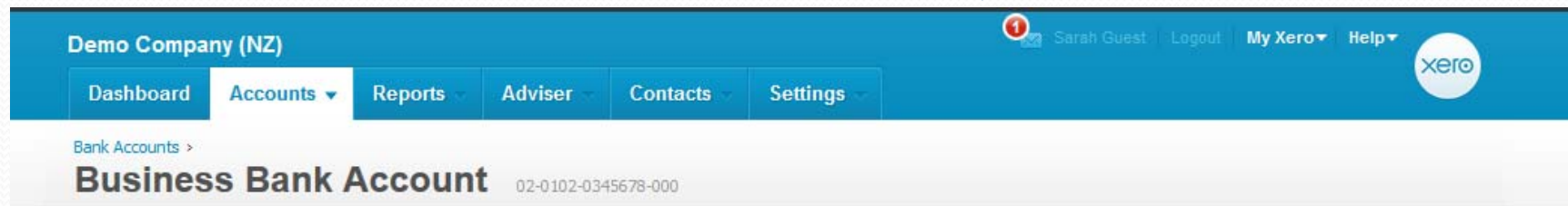
- MTA quarterly income if it is reinvested (rather than paid out)
- CB&L quarterly income
- Year end accruals

Reports > All Reports > Journal Report > Add a new Journal

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Messages

Xero are a very proactive company, upgrades and features are regularly added. When you see a number in a red circle this means Xero have sent you a message advising of a change. Click on the number and you will get a list of the messages. Click on the subject line to read the message and learn about the changes to the system.



The screenshot shows the Xero user interface. At the top, there is a blue header bar with the text "Demo Company (NZ)" on the left. On the right side of the header, there is a notification icon (a red circle with the number 1) next to the user name "Sarah Guest", and links for "Logout", "My Xero", and "Help". Below the header is a navigation menu with buttons for "Dashboard", "Accounts", "Reports", "Adviser", "Contacts", and "Settings". The "Accounts" button is currently selected. Below the navigation menu, there is a section for "Bank Accounts" with a sub-section for "Business Bank Account" and the account number "02-0102-0345678-000". The Xero logo is visible in the bottom right corner of the header bar.



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Publish Reports

You can publish any Xero report to keep a copy of the report in Xero as a particular snapshot in time. You can run reports for any date but if you publish a report, it will be kept as a static copy (as PDF or spreadsheet) on the 'Published' tab available for others to see when they log in to Xero. You can also save PDF or Excel reports to your computer and email from there if required.

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The screenshot shows the Xero interface with the 'Reports' menu selected. A callout box points to the 'Published (2)' filter, stating: "This shows all published reports, so the report can be reopened at anytime, this includes the monthly GST returns." The interface is divided into three main sections: Performance Reports, Position Reports, and Detail Reports. Each section contains a list of reports with star icons indicating favorites.

Dashboard **Accounts** **Reports** **Adviser** **Contacts** **Settings**

All Reports

Summary **Published (2)** Draft (0) Archived (0)

Performance Reports

Show how your business is performing based on revenue and expenses.

- Budget Summary
- Budget Variance
- Executive Summary
- Expenses by Contact
- GST Return
- Income by Contact
- Inventory Items Summary
- Profit and Loss
- Sales By Item

Cash Reports

Show how your cash levels are changing.

- Bank Reconciliation Summary
- Bank Summary
- Cash Summary

Position Reports

Show how your business is positioned based on assets, liabilities and equity.

- Aged Payables
- Aged Receivables
- Balance Sheet
- Depreciation Schedule
- Fixed Asset Reconciliation
- Movements in Equity

Detail Reports

Show details of the transactions in your accounts.

- Account Summary
- Account Transactions
- Customer Invoice Report
- Detailed Account Transactions
- General Ledger
- GST Reconciliation
- Journal Report
- Supplier Invoice Report
- Tracking Summary
- Trial Balance

★ Favourites: Selected reports will appear in the Reports menu.



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Reporting Against Budget

In some of Xero's reports you can compare actual income and expenditure against budgeted figures - enter a budget first from Reports>Budget Manager then on reports that offer it you can check the 'Show budget' option e.g. Profit & Loss Report, Budget Variance

Using Xero for Parish Accounting Budgets

To enter a budget from Reports > Budget Manager

Budget Manager

Select Budget: Overall Budget | Start: Jul 2012 | Actuals: None | Period: 12 months | [Update](#)

Overall Budget

Wide view

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Income						
Appeals (1550)	0	0	0	0	0	0
Bequests (1600)	0	0	0	0	0	0
BNZ Interest Received (1430)	0	0	0	0	0	0
Call Account Interest Received (1440)	0	0	0	0	0	0
CB&L Interest Received (1420)	0	0	0	0	0	0
Donations (1500)	0	0	0	0	0	0
Grants Received (1700)	0	0	0	0	0	0
MTA Interest and Income Received (1410)	0	0	0	0	0	0
Offerings (1110)	0	0	0	0	0	0
Opportunity Shop (1800)	0	0	0	0	0	0
Other Investment Income (1490)	0	0	0	0	0	0
Property Income - Commercial (1300)	0	0	0	0	0	0
Property Income - Residential (1200)	0	0	0	0	0	0
Total Income	0	0	0	0	0	0
Gross Profit	0	0	0	0	0	0
Other Income						
Gain on Sale of Assets (1910)	0	0	0	0	0	0

[Import](#) | [Export](#) | [Save](#) | [Cancel](#)

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Xero Reports

- All reports can be exported to Excel, I use this function to delete excess white space to fit the Profit & Loss report on one page
- A narrative summary can be added to all reports if you want to add a few sentences explaining an unusual transaction or the reason(s) why expenditure is higher than the budget.



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We can give your auditor or reviewer read only access (limited access) to Xero for a set period of time so they can review your transactions.



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- Other useful reports can be found under
- Reports > All Reports
 - GST Reconciliation
 - Aged Receivables
 - Account Transactions

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Receipts

For one off donation receipts

- Create a receipt (either against an invoice or use receive money)
- Find the account transaction
 - 3 dots next to the bank account
 - Find > Account Transactions
 - Click on the transaction
 - Click on options
 - Send (or view) receipt

Xero uses the standard invoice / receipt template, to alter this, please see the help file – search customise receipt



Insurance

- Parishes are required to provide an updated valuation of all property every two years
- The Methodist Insurance Fund will reimburse 75% of the cost of the valuation
- Following invoice payment, forward the invoice together with the new valuation to the Connexional Office for reimbursement

SALE & PURCHASE of PROPERTY

- When a property is sold please ask the Real Estate Agent to forward the document to the Connexional Office for signing
- The Sale and Purchase Agreement only requires one signature, this is usually signed by the General Secretary (depending on availability)
- The A&I and Land Tax forms are required for settlement. The A&I requires two Board Members' signatures, the BOA seal and a Professional person (eg Solicitor, JP, Chartered Accountant to witness the signatures)
- The Land Tax form requires a Board Member's signature
- Connexional office provide the account for settlement funds and IRD/GST information